Grandpoint.

BANK of TUCSON REGENTS BANK THE BILTMORE BANK OF ARIZONA

DIVISIONS OF GRANDPOINT BANK

# Grandpoint Capital, Inc., Reports Year-End 2016 Earnings

Los Angeles, January 23, 2017 – Grandpoint Capital, Inc., the holding company for Grandpoint Bank and its divisions, Bank of Tucson, Regents Bank and The Biltmore Bank of Arizona, reported net income of $33.2 million for the year ended December 31, 2016, compared to $29.7 million in 2015. Total assets at December 31, 2016, were $3.3 billion, up from $3.2 billion at year-end 2015. In addition, the board of directors declared its fifth consecutive quarterly cash dividend payment of $0.12 per share, payable on or about February 14, 2017, to shareholders of record as of January 31, 2017.

"We had a strong year in 2016 with all of our key performance measures demonstrating the sustained financial strength of Grandpoint Capital," said Don M. Griffith, Chairman and CEO of Grandpoint Capital, Inc., and Grandpoint Bank. "We achieved a return on average assets of 1.03% and our return on average tangible equity was 10.7% at year end. Our efficiency ratio of 53.3% reflects our commitment to carefully manage expenses as we continue to grow Grandpoint Bank. At December 31, 2016, we reported basic earnings per share of $1.01, and we achieved tangible book value per share of $9.76."

At December 31, 2016, deposits totaled $2.6 billion with continued growth in core deposits. Total loans were $2.4 billion, and asset quality remained strong during the quarter as the Bank continued to maintain a prudent and disciplined risk strategy. Grandpoint Bank's capital ratios remain far in excess of the regulatory minimums, with a Leverage Ratio of 9.97% and Total Risk-Based Capital Ratio of 13.57% at December 31, 2016.

In December 2016, Grandpoint Bank received a superior 5-star rating from independent rating and research firm BauerFinancial for the fourteenth consecutive quarter. The latest rating was based on September 30, 2016, financial data. The 5-star rating, for strength, stability and soundness, is only awarded to the nation's strongest banks.

Grandpoint Capital, Inc. and Grandpoint Bank are headquartered in Los Angeles. Calif. Grandpoint Bank and its divisions operate in southern California, Arizona and Vancouver, Wash.

More information about Grandpoint is available at www.grandpointbank.com.

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Grandpoint Capital, Inc. and Subsidiaries
Consolidated Balance Sheets
Dollars in $1,000's

| | June 30, | December 31, | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2010 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Cash and due from banks | $ 3,501 | $ 27,791 | $ 22,324 | $ 43,714 | $ 41,177 | $ 37,688 | $ 25,113 | $ 28,919 |
| Interest-bearing deposits in banks | 72,825 | 33,604 | 127,803 | 291,545 | 171,408 | 314,005 | 171,625 | 213,365 |
| Cash and Cash Equivalents | 76,326 | 61,395 | 150,127 | 335,259 | 212,585 | 351,693 | 196,738 | 242,284 |
| Investment Securities | 3,284 | 97,399 | 208,939 | 318,501 | 230,591 | 266,479 | 573,260 | 579,275 |
| Loans: | | | | | | | | |
| Construction | 481 | 18,327 | 20,324 | 54,315 | 79,588 | 110,286 | 130,801 | 194,471 |
| Single family residential | - | 32,753 | 86,257 | 193,913 | 248,727 | 281,678 | 269,823 | 220,519 |
| Multifamily loans | 2,513 | 26,097 | 60,718 | 135,966 | 215,956 | 397,712 | 599,470 | 715,786 |
| Commercial real estate | 7,792 | 248,343 | 429,224 | 738,540 | 777,875 | 814,430 | 862,014 | 905,534 |
| Commercial and industrial | 2,005 | 83,847 | 136,492 | 295,199 | 371,341 | 375,607 | 412,051 | 322,419 |
| Consumer | - | 3,673 | 6,226 | 21,984 | 23,289 | 12,846 | 9,138 | 7,876 |
| Total Loans | 12,791 | 413,040 | 739,241 | 1,439,917 | 1,716,776 | 1,992,559 | 2,283,297 | 2,366,605 |
| Deferred loan fees, costs and discounts | (137) | (13,861) | (15,580) | (25,373) | (18,410) | (4,543) | 3,550 | 3,199 |
| Allowance for loan losses | - | (1,050) | (5,722) | (8,867) | (12,087) | (14,018) | (17,245) | (18,552) |
| Net Loans | 12,654 | 398,129 | 717,939 | 1,405,677 | 1,686,279 | 1,973,998 | 2,269,602 | 2,351,252 |
| Goodwill | 2,563 | 17,923 | 37,863 | 51,432 | 53,101 | 53,323 | 53,323 | 53,323 |
| Core deposit and other intangibles | 133 | 2,724 | 6,857 | 11,822 | 12,765 | 11,063 | 9,209 | 7,493 |
| Deferred Tax Assets | - | 4,056 | 12,011 | 30,997 | 30,981 | 30,206 | 24,749 | 23,818 |
| Other assets | 2,981 | 19,005 | 24,959 | 50,195 | 48,987 | 79,210 | 70,107 | 69,491 |
| Total Assets | $ 97,941 | $ 600,631 | $ 1,158,695 | $ 2,203,883 | $ 2,275,289 | $ 2,765,972 | $ 3,196,988 | $ 3,326,936 |
| Deposits: | | | | | | | | |
| Demand deposits | $ 3,664 | $ 136,024 | $ 327,638 | $ 736,831 | $ 764,936 | $ 792,896 | $ 852,263 | $ 926,594 |
| NOW accounts | 547 | 22,651 | 57,302 | 88,994 | 132,743 | 136,003 | 139,660 | 148,071 |
| Money market accounts | 7,984 | 246,043 | 473,107 | 723,125 | 689,318 | 1,029,519 | 1,165,748 | 1,106,229 |
| Savings accounts | 1,353 | 4,703 | 9,403 | 20,587 | 36,914 | 35,505 | 39,979 | 47,426 |
| Time deposits | 5,618 | 78,353 | 112,407 | 298,226 | 313,788 | 411,908 | 348,068 | 347,775 |
| Total Deposits | 19,166 | 487,774 | 979,857 | 1,867,763 | 1,937,699 | 2,405,831 | 2,545,718 | 2,576,095 |
| Other liabilities | 2,840 | 10,400 | 14,084 | 18,596 | 15,496 | 27,233 | 10,594 | 12,696 |
| Other Borrowings | - | - | 3,000 | 10,500 | 11,000 | - | 275,000 | 350,000 |
| Subordinated debenture payable | - | 5,155 | 5,155 | 5,155 | 5,155 | 5,155 | 5,155 | 5,155 |
| Shareholders' Equity: | | | | | | | | |
| Common stock, par value | 95 | 116 | 181 | 323 | 324 | 324 | 329 | 330 |
| Additional Paid-In Capital | 88,729 | 108,628 | 171,236 | 306,060 | 308,882 | 310,860 | 316,623 | 318,904 |
| Unrealized gain (loss) on investment securities | 23 | (52) | 150 | 1,410 | (3,756) | (1,090) | (3,834) | (1,009) |
| Retained earnings (deficit) | (12,912) | (16,073) | (21,233) | (5,924) | 489 | 17,659 | 47,403 | 64,765 |
| Total Grandpoint Capital Shareholders' Equity | 75,935 | 92,619 | 150,334 | 301,869 | 305,939 | 327,753 | 360,521 | 382,990 |
| Noncontrolling interest | - | 4,683 | 6,265 | - | - | - | - | - |
| Total Shareholders' Equity | 75,935 | 97,302 | 156,599 | 301,869 | 305,939 | 327,753 | 360,521 | 382,990 |
| Total Liabilities and Shareholders' Equity | $ 97,941 | $ 600,631 | $ 1,158,695 | $ 2,203,883 | $ 2,275,289 | $ 2,765,972 | $ 3,196,988 | $ 3,326,936 |
| Tangible book value | $ 73,239 | $ 76,655 | $ 107,764 | $ 238,615 | $ 240,073 | $ 263,367 | $ 297,989 | $ 322,174 |
| Shares outstanding | 9,543,057 | 11,660,098 | 18,183,867 | 32,353,019 | 32,424,261 | 32,445,179 | 32,894,185 | 33,022,742 |
| Book value per share | $ 7.96 | $ 7.94 | $ 8.27 | $ 9.33 | $ 9.44 | $ 10.10 | $ 10.96 | $ 11.60 |
| Tangible book value per share | $ 7.67 | $ 6.57 | $ 5.93 | $ 7.38 | $ 7.40 | $ 8.12 | $ 9.06 | $ 9.76 |

Grandpoint Capital, Inc. and Subsidiaries
Consolidated Income Statements
Dollars in $1,000's

| | Year Ended December 31, | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
| Interest Income | $ 2,117 | $ 44,715 | $ 69,166 | $ 93,618 | $ 102,882 | $ 114,714 | $ 123,511 |
| Interest Expense | 204 | 4,174 | 4,109 | 4,248 | 4,826 | 5,883 | 8,256 |
| Net Interest Income | 1,913 | 40,541 | 65,057 | 89,370 | 98,056 | 108,831 | 115,255 |
| Provision for Loan Losses | 1,050 | 6,046 | 5,494 | 3,799 | 4,317 | 3,732 | 1,135 |
| Noninterest Income | 5,927 | 4,726 | 8,074 | 7,061 | 6,049 | 6,660 | 5,946 |
| Noninterest Expense: | | | | | | | |
| Salaries and Benefits | 6,898 | 22,343 | 34,891 | 44,292 | 40,270 | 38,719 | 40,462 |
| Occupancy Expenses | 1,021 | 3,102 | 4,591 | 5,380 | 5,569 | 5,186 | 5,405 |
| Furniture and Equipment Expenses | 883 | 2,077 | 2,991 | 3,352 | 3,610 | 3,288 | 3,283 |
| Promotion Expenses | 738 | 1,178 | 1,385 | 1,941 | 1,620 | 1,217 | 1,292 |
| Data Processing Expenses | 307 | 1,264 | 2,020 | 2,580 | 1,862 | 1,908 | 2,015 |
| Professional Services | 1,292 | 2,826 | 3,820 | 4,263 | 2,406 | 2,709 | 2,683 |
| M&A, Conversion and Restructuring Costs | 2,346 | 5,984 | 947 | 10,304 | 3,988 | - | 300 |
| Office Supplies and Costs | 293 | 787 | 1,284 | 1,481 | 1,755 | 1,422 | 1,358 |
| Assessments and Insurance | 215 | 1,428 | 1,880 | 2,195 | 2,377 | 2,464 | 2,388 |
| Loan Expenses | - | - | 1,785 | 1,703 | 3,108 | 1,849 | 1,499 |
| Other Expenses | 259 | 3,104 | 2,924 | 4,400 | 4,239 | 3,889 | 3,909 |
| | 14,252 | 44,093 | 58,518 | 81,891 | 70,804 | 62,651 | 64,594 |
| Income before Income Taxes | (7,462) | (4,872) | 9,119 | 10,741 | 28,984 | 49,108 | 55,472 |
| Income Taxes | (374) | - | (6,316) | 4,328 | 11,814 | 19,364 | 22,286 |
| Net Income | (7,088) | (4,872) | 15,435 | 6,413 | $ 17,170 | $ 29,744 | $ 33,186 |
| EPS - basic | $ (1.19) | $ (0.35) | $ 0.61 | $ 0.20 | $ 0.53 | $ 0.91 | $ 1.01 |
| ROAA | -2.36% | -0.53% | 0.96% | 0.29% | 0.70% | 1.00% | 1.03% |
| ROATE | -11.29% | -4.08% | 6.82% | 2.10% | 5.24% | 10.52% | 10.71% |
| Efficiency Ratio | 181.79% | 97.41% | 80.02% | 84.92% | 68.01% | 54.25% | 53.29% |